

No. 61-01/2009-SU
Government of India
Ministry of Communications & Information Technology
Department of Telecommunications
Sanchar Bhawan, 20 Ashoka Road
New Delhi - 110001

Dated, the 27th February, 2009.

In exercise of the powers conferred by the Article 145 of Articles of Association of the Bharat Sanchar Nigam Ltd. (BSNL), the President is pleased to approve the proposal of BSNL regarding the pay scales, fitment formula, DA guidelines and other relevant issues as per Department of Public Enterprises OM No: 2(70)/08-DPE (WC) dated 26.11.2008 in respect of its Board level and below Board level executives and Non-Unionized Supervisors for implementation with effect from 01.01.2007 as under:-

1	2	3
Grade	Existing (in Rs.)	Revised (in Rs.)
E1*	8600-250-14600	16,400-40,500
E2*	10750-300-16750	20,600-46500
E3	13000-350-18250	24900-50,500
E4	14500-350-18700	29,100-54,500
E5	16000-400-20800	32,900-58000
E6	17500-400-22300	36,600-62,000
E7	18500-450-23900	43,200-66,000
E8	20500-500-26500	51,300-73000
E9*	23750-600-28550	62,000-80,000
Director(A)	25750-650-30950	75,000-1,00,000
CMD (A)	27750-750-31500	80,000-1,25,000

* Proposal of BSNL on E1A, E2A, E9A and E9B shall be dealt separately.

2. **Fitment Benefit:**

- i) A uniform fitment benefit @ 30% on basic pay plus DA @ 68.8% as on 01/01/2007 would be provided to all executives. The aggregate amount would be rounded off to the next ten rupees and pay fixed in the revised pay scale.
- ii) If any extra ordinary increment(s) and/or increase in the pay in respect of executives/non unionized supervisors have been granted with retrospective effect, which affects the revision of pay as on 01/01/2007, such increment and/or income in pay will be ignored for the purpose of fitment/pay revision.
- iii) Where executives drawing pay at two or more consecutive stages in an existing scale get bunched, then, for every two stages so bunched, benefit of one increment shall be given.

3. **Increment:** Annual increment will be at the rate of 3% of the revised basic pay. Stagnation increment and increment for pay fixation on promotion will be as per Annex. - II(A) of DPE's OM dated 26.11.2008

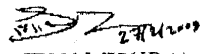
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4. **Dearness Allowance:** 100% DA neutralization will be adopted for all the executives and non-unionized supervisors, who are on IDA pattern of scales of pay w.e.f 01/01/2007. Thus, DA as on 01/01/2007 will become zero with the link point of All India Consumer Price Index (AICPI) 2001=100, which is 126.33 as on 01/01/2007. The periodicity of adjustment will be once in three months, as per the existing practice of these categories. The quarterly DA payable from 01/01/2007 will be as per new DA scheme as given in Annex. - II(B) of DPE's OM dated 26.11.2008.
5. **House Rent Allowance:** The House Rent Allowance to the employees of CPSEs will be at the following rates:

Cities with population	Rates of HRA
50 lakh and above	30% of Basic Pay
5 to 50 lakh	20% of Basic Pay
Less than 5 lakh	10% of Basic Pay

6. **City Compensatory Allowance:** The City Compensatory Allowance stands dispensed with as per Para 9 of DPE's OM dated 26.11.2008.
7. Performance Management System is to be implemented and Performance Related Pay is to be decided by BSNL as per Annexure-III of DPE OM dated 26.11.2008.
8. Board of Directors of BSNL is to decide and make payment of various perks, allowances, gratuity, staff car, Pay of Executives on deputation/transfer to CPSEs, Pay of Government Officers on deputation to CPSEs and Superannuation Benefits in accordance with guidelines and instructions issued by DPE on this subject.
9. Payment of arrears of revised IDA pay scales shall be in two installments i.e. 40% and 60% as proposed by BSNL. Detailed modalities shall be finalized by BSNL.
10. BSNL has to bear the additional financial implication on account of pay revision from its own resources and no budgetary support will be provided.
11. BSNL will have to pay pension contribution to the Government on the basis of revised pay scales with effect from 01.01.2007.
12. All instructions/guidelines issued by DPE in this regard from time to time may be scrupulously followed.

This has the concurrence of Internal Finance Division (TPF), Department of Telecommunications vide Dy. No. 02/91/TPF/09 dated 27.02.2009.


(BRAJESH MISHRA)
Director (PSU-I)
Tele No: 2303 6019

To
Shri Kuldeep Goyal
Chairman and Managing Director
Bharat Sanchar Nigam Ltd. (BSNL)
Janpath, New Delhi.

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Copy to:-

- 1) **Secretary (T), DoT.**
- 2) **Member (Finance)/ Member (Technology)/ Member (Services)**
- 3) **Additional Secretary (T), DoT.**
- 4) **Joint Secretary (T), DoT.**
- 5) **Deputy Director General (Estt), DoT. Necessary action in respect of pension contribution may please be taken.**
- 6) **Deputy Director General (SU)/ (TPF), DoT**
- 7) **Deputy Director General, (FEB)/ (Accounts), DoT. For issuing necessary instructions to all CCAs.**

Copy also to:-

**Joint Secretary, Department of Public Enterprises,
Public Enterprises Bhavan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi.**
